

# THE BEST GE ED UP.

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**\$250<sup>92</sup>**

## VCRS PRICE

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Get exclusive box office hits on SHOWTIME and THE MOVIE CHANNEL, and see the movies you grew up with, from the 60's through the 80's, on FLIX. Plus, we've added two new channels to ULTRAVIEW at no extra charge—Country Music Television and KTLA—to make this popular entertainment package even more appealing. What's more, with SHOWTIME 2 and east/west feeds for SHOWTIME and THE MOVIE CHANNEL, you get greater variety and viewing flexibility. Best of all, with this limited-time offer, when you purchase a prepaid annual subscription for just \$259.92, you save \$94.68\* compared with 12 months purchased at the regular monthly rate. If you prefer a monthly subscription, you pay an affordable \$29.55 per month. Plus, we have VCRS modules available at a special low price when purchased with programming.

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\*Offer reflects special promotional discount plus discount for prepaid annual subscription purchase. VCRS is a trademark of General Instrument Corp. VCRS module is provided to consumers by Echosphere and sold with Echosphere's standard product warranty. Showtime Satellite Networks reserves the right to terminate offers without notice. Certain restrictions apply.

received.  
prepaid  
purchase.



# **GENERAL INSTRUMENT**

**VideoCipher Division**  
General Instrument Corporation  
6262 Lusk Boulevard  
San Diego, CA 92121  
619/455-1500  
FAX 619/535-2486

**Certified Mail, Return Receipt Requested**

**January 23, 1992**

**Terry L. Ball  
Investigator  
Consumer Protection Division  
Attorney General of Missouri  
Supreme Court Building  
P.O. Box 899  
Jefferson City, Missouri 65102**

**RE: Ms. Suzanne Baechler  
Your File No. CF-91-01595**

**Dear Mr. Ball:**

**This letter is in response to your letter dated December 24, 1991 and the attached "Complaint Satisfaction Form" prepared by Ms. Baechler.**

**While it is difficult to separate legitimate specific concerns of Ms. Baechler from her diatribe against General Instrument Corporation, it appears that her main concern relates to VideoCipher® II Plus modules which were previously shipped to her in connection with a product evaluation program. As we indicated to your colleague Ms. Oates, in a letter dated September 13, 1991, a copy of which is attached for your reference, General Instrument is aware that in certain isolated situations the VideoCipher® II Plus modules shipped required certain software enhancements. To date, Ms. Baechler has refused to return her current VideoCipher® II module to General Instrument in return for a new VideoCipher® II Plus module. Her most recent filings with the Attorney General of Missouri suggests she has not changed her position.**

**In an effort to accommodate any legitimate concerns Ms. Baechler may have, General Instrument offers the following proposal. General Instrument will send at no charge, a qualified technician or authorized dealer selected by General Instrument to Ms. Baechler's home. If General Instrument's technician or authorized agent determines that Ms. Baechler's VideoCipher® II module has not been tampered to steal satellite programming, General Instrument will replace Ms. Baechler's current VideoCipher® II module with a new VideoCipher® II Plus module at no charge. Additionally, the technician can make sure that her system functions properly with the new module or identify any non-VideoCipher problems with her system. As Ms. Baechler observes, programmers have elected to provide and transmit instant pay-per-view programming via VideoCipher® II Plus authorization signals for their respective services. Upon completion of the exchange described above, Ms. Baechler should be able to purchase instant pay-per-view programming.**

# GENERAL INSTRUMENT

Terry L. Ball  
Investigator  
Consumer Protection Division  
Attorney General of Missouri  
January 23, 1992  
Page 2

General Instrument categorically denies the rest of Ms. Baechler's statement which is replete with misstatements, unsubstantiated allegations, and false accusations. At the risk of dignifying her charges by response, please permit me to state for the record that the VideoCipher Division of General Instrument Corporation is proud of the high quality of its consumer products. In the conduct of its business, General Instrument Corporation makes every effort to maintain the highest ethical business standards and to comply with all applicable laws, rules and regulations.

We believe the proposal set forth herein is fair and reasonable. We look forward to receiving Ms. Baechler's prompt response to this offer.

Please call me if you have any questions or if I can provide any further information.

Very truly yours,



Kenneth S. Boschwitz  
General Counsel  
VideoCipher Division

Encl.

cc: Ms. Suzanne Baechler

# GENERAL INSTRUMENT



## Certified Mail Receipt

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
Ms. Carolyn N. Oates	
Street & No.	
P.O. Box 899	
P.O. State & ZIP Code	
Jefferson City, MO 65102	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$
Postmark or Date	
Sept. 16, 1991	

PS Form 3800, June 1990

September 13, 1991

Ms. Carolyn N. Oates  
Investigator-Trade Offense Division  
Attorney General of Missouri  
Supreme Court Building  
P.O. Box 899  
Jefferson City, MO 65102

RE: Ms. Suzanne Baechler  
Your File No. CF-91-01595

Dear Ms. Oates:

This is in response to your letter and Ms. Baechler's consumer report. I apologize for the delay in responding.

It appears that Ms. Baechler harbors certain misconceptions regarding a program to upgrade VideoCipher® II modules to VideoCipher® RS modules. In early 1992, it is currently anticipated that General Instrument will begin distribution of an enhanced version of its second generation VideoCipher® II Plus Descrambler modules to its fifteen (15) licensed manufacturers now serving the home satellite dish market. The enhanced version is called the VideoCipher® RS - RS for Renewable Security. General Instrument is currently in contract negotiations with leading programmers regarding a comprehensive program related to the RS technology, including the issue of upgrades for legitimate VideoCipher® II consumers. General Instrument believes the Replaceable Security technology should be provided as a free upgrade to legitimate, subscribing VideoCipher® II owners. We further believe that programmers will agree with this, and we do not anticipate that legitimate, subscribing VideoCipher® II owners will be required to pay for an upgraded module.

Ms. Baechler appears to suggest that the VideoCipher® RS technology may render her VideoCipher® II descrambler obsolete. This is simply not true. None of General Instrument's technologies or plans for their implementation will deny legitimate customers access to satellite programming services for which applicable fees have been paid. Furthermore, it is General Instrument's position that the satellite system sold to Ms. Baechler neither was, nor is, defective, obsolete or unfit for its intended purpose.

Ms. Baechler also suggests that consumers are paying for the upgrade to Replaceable Security technology and for "Decoder Upgrade Warranty Insurance". This is also not true. To reiterate, General Instrument believes the RS technology should be provided as a free

# GENERAL INSTRUMENT

Ms. Carolyn N. Oates  
September 13, 1991  
Page 2

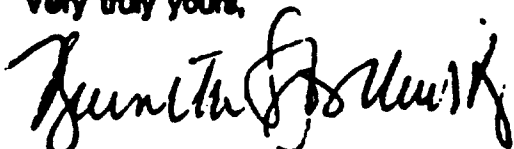
upgrade to legitimate, subscribing VideoCipher® II owners. While I'm uncertain of Ms. Baechler's reference to "Upgrade Warranty Insurance", it is possible she obtained inaccurate information concerning the Consumer Security Protection Program. Announced in early 1991, the Consumer Security Protection Program provides that consumers purchasing integrated receiver descramblers containing VideoCipher® II Plus Modules manufactured after April 1, 1991 are protected for three (3) years from the date of purchase from any programmer initiated migration to a new version of VideoCipher technology. This means that protected consumers will get a free upgrade to RS technology if a security migration occurs during the coverage period. We fail to see how this program applies to Ms. Baechler since she asserts she owns a General Instrument product containing a VideoCipher® II module. We might add that consumers are not required to purchase a policy but rather are automatically eligible for coverage under the Consumer Security Protection Program if they purchase product containing VideoCipher® II Plus descramblers manufactured after April 1, 1991 and meet other applicable criteria such as not tampering with product components.

We regret that the VideoCipher® II Plus modules shipped to Ms. Baechler under the product evaluation program appear to have caused her some inconvenience. General Instrument is aware that in certain isolated situations, the VideoCipher® II Plus modules shipped require certain software enhancements. General Instrument has previously indicated to Ms. Baechler that upon completion of the software enhancements, we would provide her a new VideoCipher® II Plus module upon receipt of her current VideoCipher® II module. To date, she has refused to return her original VideoCipher® II module to us. We note that frequently individuals engaged in the unauthorized reception of satellite transmissions in violation of federal and/or state laws refuse to return modules due to concern that their tampering or "chipping" of the module will be discovered.

We welcome the opportunity to discuss any further questions Ms. Baechler may have. She can call me collect at (819) 535-2410. However, for the reasons described in this letter, we decline to reimburse her for the costs of her satellite system.

Please call me if you have any questions or if I can provide any further information.

Very truly yours,



Kenneth S. Boschwitz  
General Counsel  
VideoCipher Division

cc: Ms. Suzanne Baechler  
R-4 Box 169  
Macon, MO 63552

**GENERAL  
INSTRUMENT**

**VideoCipher Division**  
General Instrument Corporation  
6262 Lusk Boulevard  
San Diego, CA 92121  
619/455-1500  
FAX 619/535-2486

May 26, 1992

Mr. Jonathan Levy  
Office of Plans and Policy  
Federal Communications Commission  
Washington, DC 20554

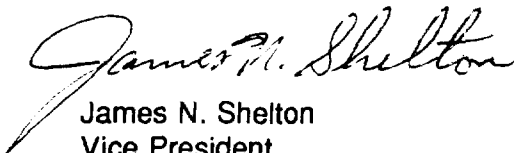
**RE: Ms. Suzanne Baechler**

Dear Jonathan:

I enjoyed having the opportunity to meet with you and provide an update on the Upgrade Program. You indicated that the FCC had received a complaint from Ms. Suzanne Baechler. Ms. Baechler also filed a complaint with the Attorney General of Missouri which we were asked to respond to. Attached with this letter is a copy of our response dated January 23, 1992, to the Consumer Protection Division of the Attorney General of Missouri.

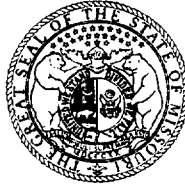
Please don't hesitate to contact me if I can provide any further assistance or information.

Very truly yours,



James N. Shelton  
Vice President  
Programmer Services

Encls.



WILLIAM L. WEBSTER  
ATTORNEY GENERAL

ATTORNEY GENERAL OF MISSOURI  
JEFFERSON CITY

October 2, 1991

PT 81991

Reply To:  
SUPREME COURT BLDG.  
P. O. BOX 899  
JEFFERSON CITY, MO 65102

General Instruments Corp.  
6262 Lusk Blvd.  
San Diego, CA 92121

Re: Complaint No. CF-91-01595  
SuzAnne Baechler

Dear Sir/Madam:

Thank you for your response to our recent letter. We have placed your response with the consumer report.

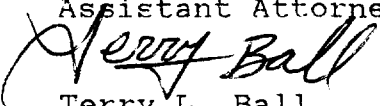
If we need additional information, we will contact you.

Thank you for your cooperation in providing this office with the requested information.

Very truly yours,

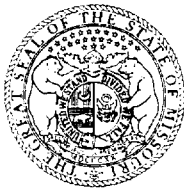
WILLIAM L. WEBSTER  
Attorney General

Margaret K. Landwehr  
Assistant Attorney General

  
Terry L. Ball  
Investigator  
Trade Offense Division

cl.





JAN 2 1992

WILLIAM L. WEBSTER  
ATTORNEY GENERAL

ATTORNEY GENERAL OF MISSOURI  
JEFFERSON CITY  
December 24, 1991

Reply To:  
SUPREME COURT BLDG.  
P. O. BOX 899  
JEFFERSON CITY, MO 65102

General Instruments Corp.  
6262 Lusk Blvd.  
San Diego, CA 92121

Re: SuzAnne Baechler  
Complaint No. CF-91-01595

Dear Sir/Madam:

Please find enclosed copies of additional information the Attorney General has received concerning the above referenced complaint. We recently contacted you concerning this complaint.

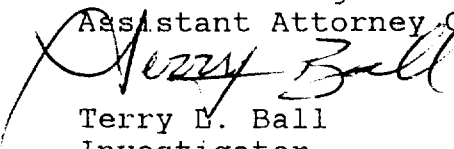
We would appreciate your review of this additional information. Please send your written response to this office within two weeks.

We appreciate your continued cooperation.

Very truly yours,

WILLIAM L. WEBSTER  
Attorney General

Mark A. Flanegin  
Assistant Attorney General

  
Terry D. Ball  
Investigator  
Consumer Protection Division

Enclosure  
cl

Office of Missouri Attorney General

RECEIVED

# COMPLAINT SATISFACTION FORM

OCT 15 '91

Complaint No.

CF-91-01595

MISSOURI  
ATTORNEY GENERAL

I have previously contacted the Public Protection Division of the Office of Attorney General in regard to a complaint against General Instruments Corp.

This matter now has been settled to my satisfaction. The value of property I received or the amount of my indebtedness cancelled is \_\_\_\_\_.

If the matter has **not** been settled, please explain the current status of your complaint.

Due to not enough room to explain  
current status in this limited space - current  
status is addressed in attached Oct. 9, 1991  
statement. (see attached)

Signature

Address

Ruth Anne Drexler

Rt Box 169

Macon, Mo. 63552

Please return in the enclosed self-addressed envelope.

OCTOBER 9, 1991

RESPONSE STATEMENT TO SATISFACTION FORM FOR COMPLAINT  
NUMBER: CF-91-01595

Enclosed is a copy of letter dated September 24, 1991 to Atty. Generals Office in reply to General Instruments September 13, 1991 letter addressing my complaint Number CF-91-01595

Copy of letter of further inquiry dated October 2, 1991 on my complaint is also attached with GI's letter of comments.

I would like to add the following comments to be attached to my letter of September 24, 1991 in addressing GI's comments.

General Instruments (GI) has unduly harrassed me as a legal consumer because I refuse to trade my legal VCII decoder (that I bought and paid for) for their defective VCII PLUS decoder that still to this date is not compatible with my equipment. GI re-fused to re-authorize the reception of my pay-per-view services to which I had already payed a authorization fee for almost a year before. August 2, 1991 GI ECM'd my legal, rendering it useless for ALL my paid for IN ADVANCE subscription services, to force me to accept their defective product, of which I have not accepted. Finally on October 3, 1991 GI removed the authorization centers (GI ownership) credit from my Pay-per-View option that had been accumulated in my VCII data stream.

In GI's letter of September 13, 1991 they even went as far as to insinuate that I must have a illegal decoder (able to steal programming signals) which is in violation of FEDERAL or/and STATE LAWS because I refuse to let GI have my LEGAL VCII and accept their defective VCII PLUS decoder.

These slanderous inuendos and actions by Generaal Instruments is typical of their character in dealing with consumers and suggesting they are criminals if they refuse to give up the quality product they own for GI's inferior products. I am shocked that this business corporation is allowed to insinuate I am a criminal and put me through such humiliation and undue harassment because I refuse to support their defective VCII PLUS product by participating in their VCII, VCII PLUS swap out. I AM A 100% LEGAL VCII DECODER CONSUMER. I would not be paying over \$500 yearly in programming fees, if I was otherwise, as my original documentation submitted in my complaint proves.

GI has lied to satellite dish owners for over 5 years, ECM'd many legal consumers decoder equipment then classified them as criminals unless they give them their ECM'd decoders for them to check out (3months) which tells whether or not the consumer had a illegal decoder. Meanwhile the legal consumer feels intimidated by GI's actions. And while the consumer is sitting on the HOT SEAT waiting for GI's decision he is denied access to receiving the subscription programming he has already paid for during the duration of GI's 3 MONTHS investigation equipment testing. The final decision of whether or not a consumer is a criminal or not rests only with GI: a monopoly corporation in the TVRO decoder industry, a corporation that lies to our elected officials, Justice department, FCC, FTC, Programers and consumers all of which is documented.

It is overwhelming that one unscrupulous company, GI, is granted such single controlled power to decide the fate of consumers integrity as to whether or not the consumer is in violation of Federal or state laws. GI has set it's self up as judge and jury for the TVRO consumer with no one questioning the validity of their actions and decisions.

As a law abiding constitute in the State of Missouri I am questioning GI's control and actions AND... respectfully requesting that the State of Missouri institute a full investigation into GI's business practices affecting TVRO consumers in Missouri and address the consumers concerns submitted in this letter and the following:

Complaint number CF-91-01595

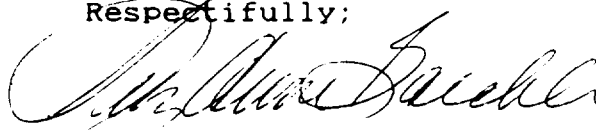
letters of September 24, 1991, September 2, 1991

Complaint number CF-91-16426

as well as the other individual consumer GI compalints that had been submitted to my file # CF-91-01595.

Assuring you your assistance in this matter is greatly appreciated. I am,

Respectfully;



Suzanne Baechler

R4 Box 169

Macon, Mo. 63552

SuzAnne Baechler  
R 4 Box 169  
Macon, Mo. 63552

September 24, 1991

Ms. Carolyn N. Oates  
Investigator-Trade Offense Division  
Attorney General Of Missouri  
P.O Box 899  
Jefferson City, Mo. 65102

Ref: Case No. CF-91-01595

Dear Ms. Oates:

As you are aware I am in receipt of a copy of GI's letter to you in reply to my complaint. It was interesting that GI blew a lot of smoke in their reply dealing with issues that did not address my original complaint.

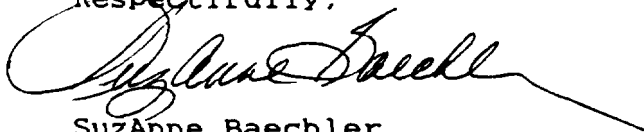
My complaint was about GI's product Evaluation Program (PEP) VCII-PLUS upgrades for legal VCII decoder owners---of which I am a legal VCII owner that pays about \$500 + yearly for subscription programming and over \$300 yearly for pay per view programming. In my complaint I pointed out (with documentation) that GI sends the VCII PLUS to PEP customers, of which I was one, for us to evaluate the compatibility of the VCII PLUS with our satellite system. If the VCII PLUS did not work we returned it to GI. If the VCII PLUS did work then we sent to GI our VCII decoder and agree to keep the VCII PLUS.

I was a authorized subscriber to many programming services with my VCII when I participated in the GI PEP program and found none of their VCII-PLUS's would work with my equipment. I went back to using my VCII which always worked with my equipment only to find out I was blocked by GI's authorization center's programming services, access to the programs I use to subscribe to with my VCII before I agreed to participate in their PEP program. Other VCII consumers that did not participate in the PEP program continue to receive access to that programming with the use of GI's Video Pal unit like the one I have.

It appears that in GI's retaliation of my refusing to accept their non-workable product, VCII PLUS, and my submitting my complaint to you they choose to ECM my VCII August 2, 1991 which COMPLETELY obsoleted my satellite system by rendering my VCII decoder TOTALLY non-functional in receiving my subscription programming. I notified you about my VCII being ECM'd by letter dated September 2, 1991. I also possess documented proof my LEGAL VCII decoder was ECM'd.

Please note in GI's letter sent you that they mention the introduction of a new decoder called the VCRS. Note also that they mentioned that the CSPP Program (free upgrade to VCRS) that will only apply to new satellite systems purchased after April 1, 1991. My question, What happens to we the consumers that had already purchased \$2,000. to \$30,000 systems before April 1, 1991? There are thousands and thousands of rural satellite dish owners in Missouri who already purchased their systems before April 1, 1991. We the consumers are looking to you to protect our investment in our Satellite systems purchased within the state of Missouri.

Respectfully;

A handwritten signature in cursive script, appearing to read 'Suzanne Baechler', with a long horizontal flourish extending to the right.

Suzanne Baechler  
Tel: 816-385-2526

Weekly ONSAT - Sep 15-21-1991

## OnSat MAILBAG

Sat  
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As for consumers, many dish owners in 1986 were incensed at the idea of having to pay for programming at all since they had been getting it for "free" since the advent of the backyard dish market. --Ed.

### 'PLUS' PROGRAMS

You have run several letters during the past few months about a major flaw in the VC II Plus; i.e., it deauthorizes channels spontaneously, requiring viewers (subscribers) to switch up or down a channel, then back, to regain the signal. Of course, people recording with timers get a blank screen.

You have responded to these letters with the suggestion that the fault is with the signal strength or the viewer's individual unit.

Well, a call to the GI hotline elicits the information that the VC II Plus is, indeed, flawed,

that the  
signal  
does  
drop out  
from time

to time, and that nothing can be done about it for now.

As I sat here watching CNN with a signal strength of 10.0, the "no subscription" sign popped up on my screen.

This was the third time in a month. Plus, I was unable to record a movie from The Movie Channel and one from Cinemax for the same reason. The VC II Plus needs to be fixed. I just thought you'd like to know.

— Keith Lawrence,  
Decatur, IL

Thank you for the input. If there is a flaw that seems to be more and more pervasive as time goes on, the VC II Plus should be recalled. The VC II Pluses that we have here have not exhibited a problem, but several of our readers have said that they experience them with the same frequency as you.

We will try to get an official answer for those of you suffering under this problem. --Ed.

### VC II READOUT

Can you tell me what SM means in the diagnostic information on the VC II?

— Shirley Olsen,  
Genoa, WI

With the VC II, SM in the bottom row and the third column means that the program is scrambled and not currently available. Request 1 and 2 show this designator. SA means scrambled and authorized and SB means scrambled and needs authorization. --Ed.

Letters to Mailbag should be addressed to OnSat Mailbag, P.O. Box 2347, Shelby, NC 28151-2347. You should include your name, address and home telephone number. Letters may be edited for purposes of clarity or space. Sorry, but we are not able to send you a personal response.

CERTIFICATE OF SERVICE

I, NANCY H. SARAZEN do hereby certify that a copy of the foregoing Reply Comments in PP Docket No. 92-234 has been sent via first class mail, postage prepaid, to the following Service List on January 26, 1993.



SERVICE LIST - PP DOCKET NO. 92-234

SuzAnne Baechler  
Consumer Satellite Coalition  
Route 4, Box 169  
Macon, MO 63552

John Grayson  
DECTEC International Inc.  
P.O. Box 2275  
1962 Mills Road  
Sidney, BC V8L 3S8  
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Karen Brinkmann, Esq.  
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Washington, D.C. 20004

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Motion Picture Association  
of America, Inc.  
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Washington, D.C. 20006

Andrew R. Paul  
SBCA  
225 Reineckers Lane  
Alexandria, VA 22314

Donald Berg  
Channel Master  
Division of Avnet, Inc.  
Industrial Park Drive  
Smithfield, NC 27577



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Molly Pauker, Esq.  
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Washington, D.C. 20016

David Alsobrook  
Scientific-Atlanta, Inc.  
P.O. Box 105600  
Atlanta, GA 30348

Benjamin J. Griffen, Esq.  
Kathleen A. Kirby, Esq.  
REED SMITH SHAW & McCLAY  
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Washington, D.C. 20036

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Titan Satellite Systems Corporation  
3033 Science Park Road  
San Diego, CA 92121

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Hardy & Ellison, P.C.  
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Suite 100  
Burke, VA 22015

Mr. Michael Zoretich  
Product Support Specialist  
TV/COM International  
16516 Via Esprillo  
San Diego, CA 92127